

2013 Community Development Year In Review

Richfield Housing and
Redevelopment Authority



Richfield Rediscovered

- Program established in 1990
- Facilitates the construction of new single-family, owner-occupied housing
- Substandard houses purchased and demolished for future market-rate construction
- \$50,000 redevelopment credit to qualifying project



Richfield Rediscovered –

New Construction

- 7 Applications Approved in 2013
 - 1 Credit Program
 - 6 Lot Sale Program
- 6 Homes Completed
 - 4 homes approved in 2012
 - 2 homes approved in 2013
- 5 Under construction/permits approved
- 1 lot remaining for sale

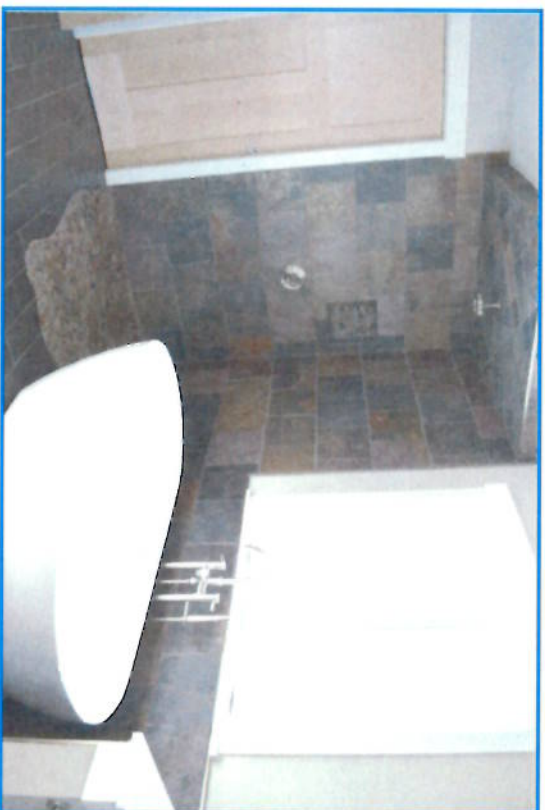
Richfield Rediscovered – 7220 Russell



- 2,000 sq. ft finished space
- 3 bedrooms, 3 bathrooms, 2 car-garage
- End value of \$420,000
- LEED-certified - SILVER



7220 Russell, cont.



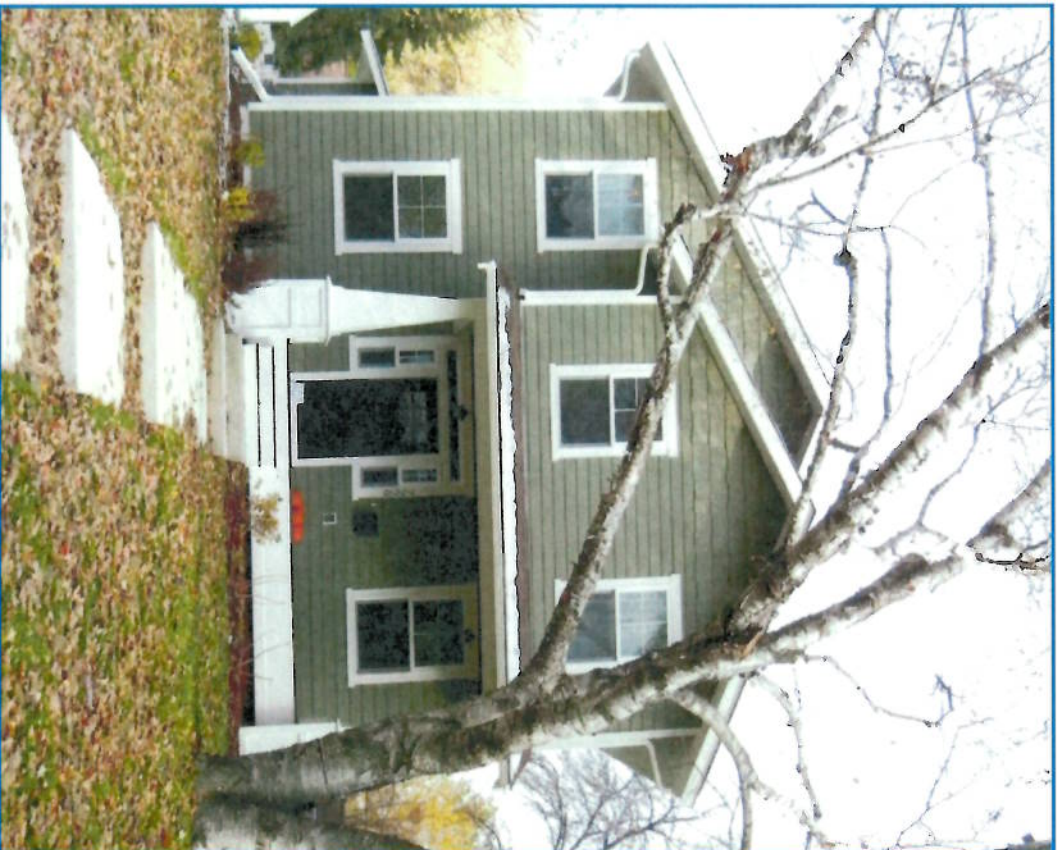
Richfield Rediscovered – 7544 2nd Ave



- 1,769 sq. ft
- 3 bedrooms, 2 bathrooms, 2 car garage
- End value of \$296,000



Richfield Rediscovered – 7229 1st Ave



- 2,916 sq. ft
- 4 bedrooms, 4 bathrooms, 2 car garage
- End value of \$356,000

Richfield Rediscovered – 6438 Bloomington



- 1,740 sq ft
- 3 bedrooms,
2 bathrooms,
2 car garage
- End value of
\$250,000

Richfield Rediscovered – 6500 Logan Ave



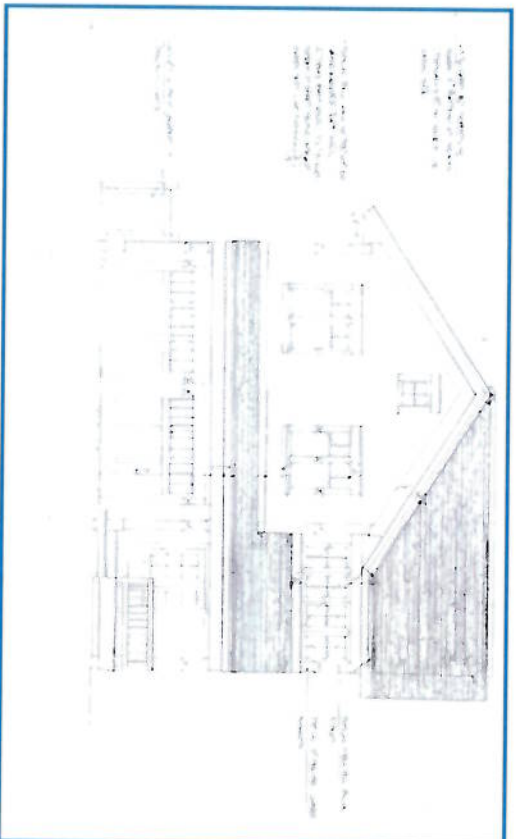
- 2,600 sq ft
- 4 bedrooms, 3 bathrooms, 2 car garage
- End value of \$3325,000

Richfield Rediscovered – 6825 Grand



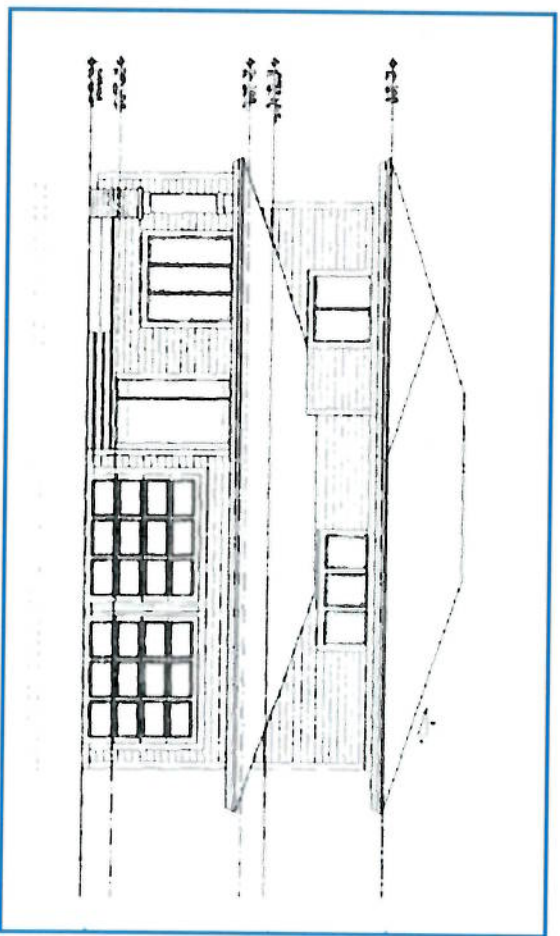
- 1,600 sq ft
- 3 bedrooms, 2 bathrooms,
2 car attached-garage
(alley)
- End value of \$245,000

Richfield Rediscovered – 7537 Dupont Ave (under construction)



- 3,200 sq ft
- 3 bedrooms, 3.5 bathrooms, 2 car garage
- Anticipated end-value of \$3350,000

Richfield Rediscovered – 6808 14th Ave (under construction)



- Approx. 2,500 sq. ft
- 3 bedrooms, 4 bathrooms, 2 car garage
- Estimated value of \$315,000

Richfield Rediscovered – 6812 14th Ave (under construction)



- Approx. 1,910 sq ft
- 3 bedrooms, 2.5 bathrooms, 2 car garage
- Estimated value of \$300,000



Richfield Rediscovered – 7437 Pillsbury (under construction)



- Approx. 2,773 sq. ft
- 4 bedrooms, 3 bathrooms, 3 car attached garage
- Estimated value of \$370,000

Richfield Rediscovered – 7035 5th Avenue (under construction)



- Approx. 1,910 sq. ft
- 3 bedrooms, 2.5 bathrooms, 2 car garage
- Estimated value of \$300,000

Richfield Rediscovered – 7215 Logan Ave (approved)



- Approx. 2,023 sq. ft
- 4 bedrooms, 3 bathrooms, 3 car attached-garage
- Estimated value of \$350,000



New Home Program

- Substandard houses purchased for demolition for future construction of affordable housing
 - 1 double lot purchased in 2013
 - Lots have been land-banked for the past several years
 - 9 lots available for future new construction of affordable single-family homes
 - January 2014 – approved sale of 2 lots to TCHFH
 - 1 lot (triple-lot) available for future new construction of affordable and market-rate townhomes



Transformation Loan Program

- Provides interest-free loans of up to 15% of project costs for large-scale remodeling projects (valued at \$50,000 or more).
- Maximum loan amount is \$25,000.
- No interest, no monthly payments, and forgiven after 30 years.



Transformation Loan Program

- 4 Transformation Loans originated in 2013 for a total of **\$61,864.15**
- Total combined investment into Richfield housing stock in 2013: **\$414,411**

Transformation

Kitchen expansion and remodel, front entry



Before



After

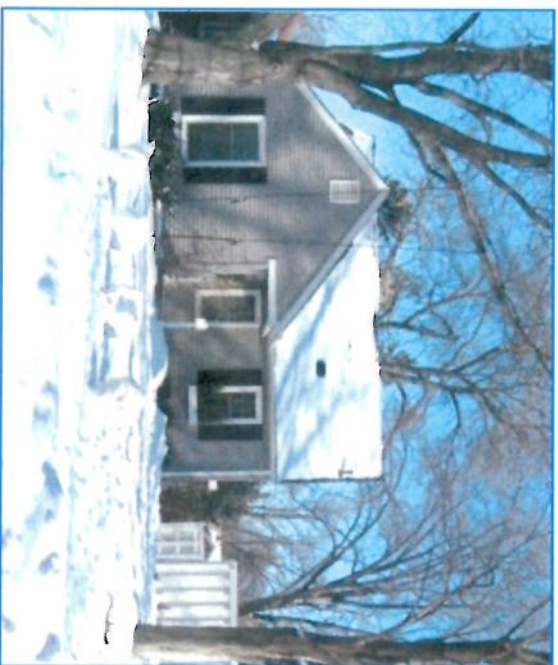


Transformation



Transformation:

Kitchen - Dining – Bedroom - Bath



Before



After



Transformation, cont.



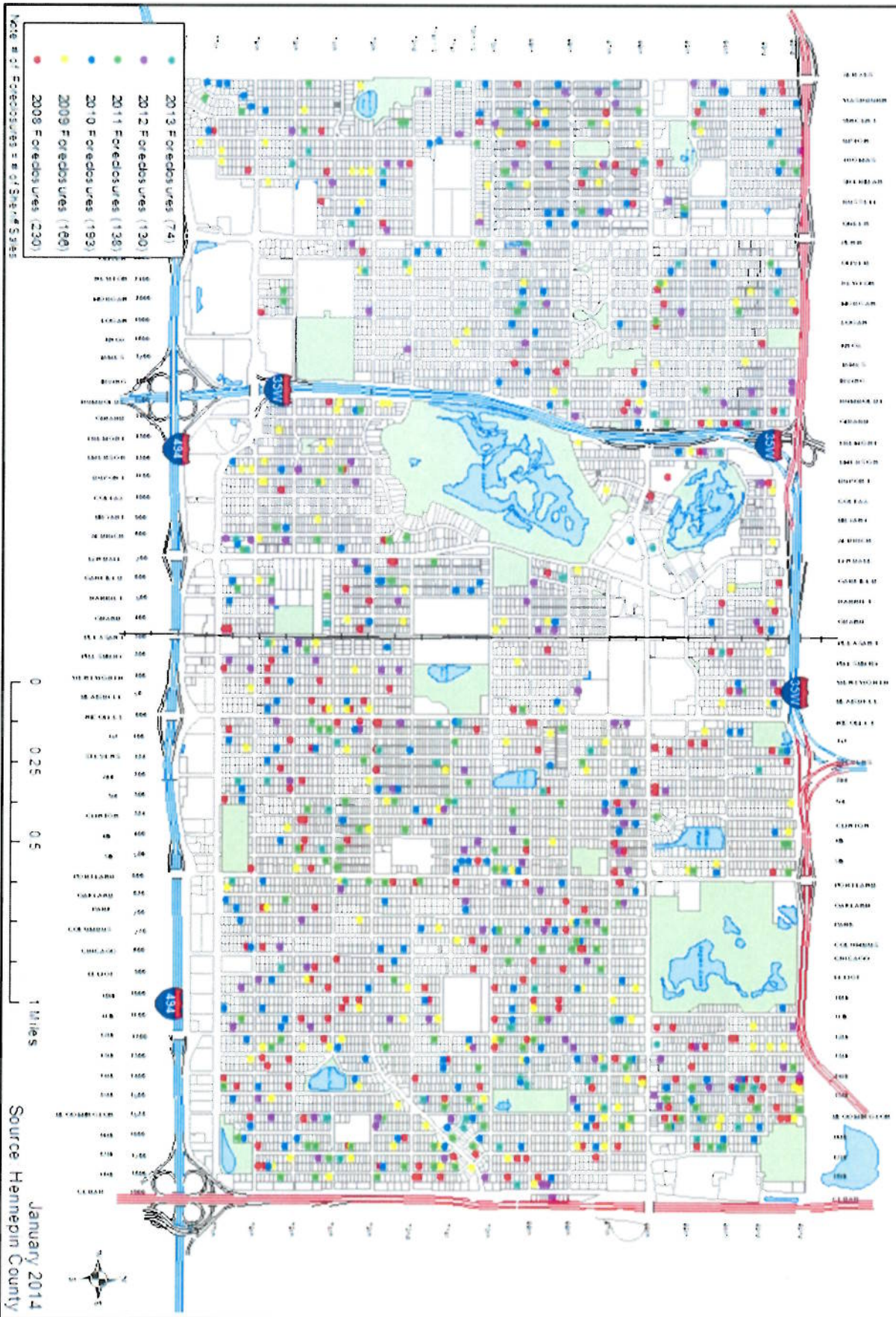


Foreclosures

- 74 foreclosures in 2013
- Foreclosures down 43% from 130 in 2012
- Foreclosures peaked in 2008 with 230
 - 931 foreclosures since the beginning of 2008



Foreclosures: 2008-2013



January 2014
Source: Hennepin County



Foreclosure Purchase Incentive Program (FPIP)

- Incentive for the purchase and rehab of foreclosed and vacant homes.
 - Either \$10,000 purchase assistance OR \$15,000 rehab assistance.
 - Deferred, no-interest loan, forgiven after 5 years.
 - Owner-occupancy required.



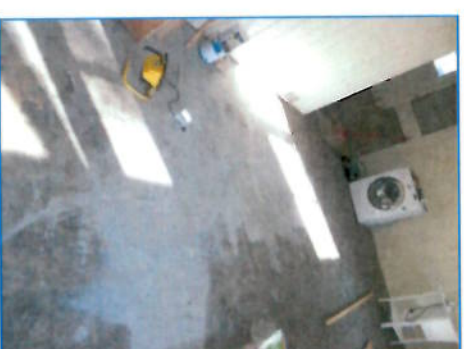
Foreclosure Purchase Incentive Program

- 4 loans made in 2013
- Loans since program inception (2009):
 - 25 total loans, totaling \$320,000
- Program discontinued end of 2013

Foreclosure Purchase Incentive Program

Rehabilitation Assistance

Before



After





Neighborhood Stabilization Program

- Received federal funding of \$1,041,541 in 2009 to purchase, rehab and re-sell foreclosed homes.
- Sale to qualifying buyers making 120% or less of the Area Median Income (AMI).
 - 2 homes required to be sold to buyers making 50% or less of the AMI.
- Program ended in 2013
- 1 home remaining to be sold.

Neighborhood Stabilization Program:

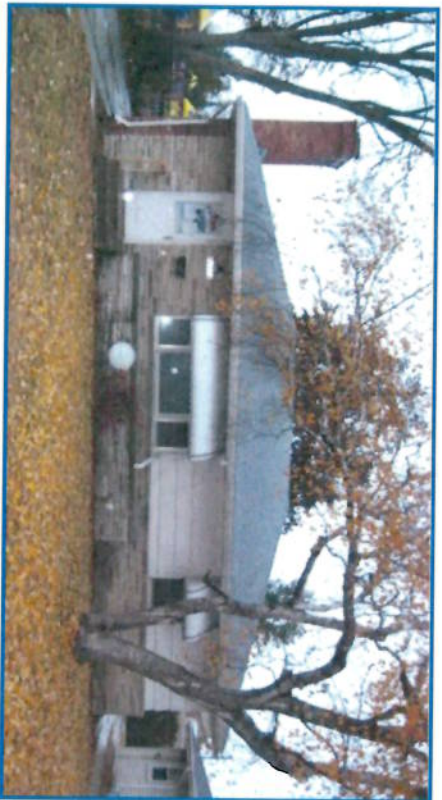
7527 Bloomington Avenue South



- Listed for \$195,000
- 4 bedrooms, 2 bathrooms

Neighborhood Stabilization Program:

7324 17th Avenue South



Before



After



Community Fix-Up Fund

- Rehab loan program provided through MnHousing
- Grant received from MnHousing
- HRA provides matching funds to write down interest rate to 3% (normally 5-6%)
- Targeted to households earning less than \$95,000



Community Fix-Up Fund – 2012-2013

- 19 loans originated in Richfield
 - Loan size ranged from \$5,000 to \$35,000
- \$459,000 in total investment
- \$416,000 in Fix-Up Fund loans (MnHousing)
- \$83,400 to write down the interest rate
 - MnHousing: \$71,700
 - HRA: \$11,700
- MnHousing grant expired at the end of 2013
 - Applying for additional funding to continue the program



Community Development Block Grant Program (CDBG)

- City receives approx. \$200,000 annually
- Funding allocated to:
 - Deferred Housing Rehab Loan Program
 - Administered by Hennepin County
- Public Services Funding
- Penn Ave Façade Improvement Program (new program in 2014)



CDBG, Continued

- 2013 Deferred Loan Program
 - Available to low-income homeowners
 - No payment, no interest, 30-year loan
 - 19 loans in process
 - 3 loans completed
 - 5 homeowners currently on waiting list



CDBG continued

- Public Service Sub-Recipients served
 - H.O.M.E. (Senior Homeowner Services)
 - Provided 847 jobs to 103 Richfield elderly residents
 - HOME Line (Renter Legal Aid)
 - 159 households served
- Community Action Partnership for Suburban Hennepin
 - 43 households served



Home Energy Squad Enhanced

- New program in 2013
- HRA partnered with Center for Energy and Environment, Centerpoint Energy and Excel Energy to offer energy visits to households for \$50
- HRA received a grant from the Great Plains Institute to partner with the Neighborhood Development Alliance (NeDA) to develop a Latino Outreach program for the Program



Home Energy Squad Enhanced, cont.

- Home Visits include:
 - Installation of energy-saving products at no charge
 - Home energy report
 - Access to vetted insulation contractors
 - Information on available financing and rebates
- 243 households participated
- On average, each participating household in Richfield saved \$110.



Additional Services

- Home remodeling consultation program: 37 consultations conducted by Remodeling Advisor
- Architectural Consultation Program: 14 consultations
- Booth at 2013 Remodeling Expo
- Realtor workshop
- On-going management of two HRA-owned rental properties.



Loan Portfolio Management

- 23 Subordination Agreements processed
- 12 Loan Repayments
- 2 loan settlements
- 1 loan lost to foreclosure
- 4 apartment remodeling loans matured and forgiven



Housing Resource Center

(Greater Metropolitan Housing Corporation)

- HRA contracts with HRC to provide remodeling consultation services, emergency assistance, first-time homebuyer education, and access to various housing rehab loan programs.
- 152 services provided to 61 Richfield residents through the Southside Housing Resource Center.
- 6 MnHousing Fix-Up Fund loans (3% interest) originated in 2013.



Housing Program Marketing

Contracted with Shadid MARKET(ing) to develop a marketing plan for the HRA's programs.

- 1) Research relating to resident's perceptions/experience with home remodeling and HRA programs
- 2) Developing a marketing plan and strategies for HRA programs
- 3) Implementation of plan



Housing Visioning

- 17-Member Task Force appointed by HRA in February 2013
- 8 workshops and 1 bus tour held
- Visioning Statement presented to HRA and City Council in June:

Richfield is a sustainable community that is known for its strong, vibrant and eclectic, amenity-rich neighborhoods supported by a full range and balance of housing types that match the choices of its diverse residents at every stage of their lives.



Kids @ Home Program

- Provides shallow rent assistance combined with social services to facilitate housing stability and tools for financial independence to Richfield households with children in Richfield schools.
- 30 Families served in 2013



Section 8 Rental Assistance

- 315 households received rental assistance through the Richfield PHA in 2013



Commercial Developments

- Menards
- Lyndale Station
- Lyndale Gardens – Lakewinds Grocery

Menards



Lyndale Station





Commercial Developments – Cont.

- Lyndale Gardens – 6400 Lyndale Av
 - Former Lyndale Garden Center
 - Lakewinds Co-op grocer
 - 10,000 sq. ft. retail liner
 - 151 units of up-scale rental housing
- Quasi-public amenities
 - Trail connections
 - Plaza/splash pad/rental space
 - Farmers market/public markets

Lyndale Gardens



Lakewinds Grocery





Commercial Development – Cont.

- Other notable mentions:
 - O'Reilly Auto Parts
 - LaMettry's under construction
 - RB Honda under construction
 - Cedar Point
 - Papa Murphy's
 - Noodles
 - Anytime Fitness



Redevelopment Activity

- Cedar Point II Housing Redevelop. Area
 - Joint partnership with Public Works to acquire 14 homes along 17th Avenue.
- Sale of Candlewood Outlot to LaMettry's Autobody
- Former City Garage North/South Site
 - Began establishment of TIF District to facilitate demolition of structurally deficient buildings
- Acquired 7600 Pillsbury



Community Development 2013 Year In Review Questions?